

Author: Tom O'Flaherty at INPUT  
Date: 1/28/97 11:11 AM  
Priority: Normal  
TO: Sylvie Benech at Internet  
TO: hm@input.de at Internet  
TO: mallegr@input.co.uk at Internet  
TO: cbourne@input.co.uk at Internet  
TO: John Willmot at Internet  
CC: Peter Cunningham at INPUT  
CC: Peter Lines at Internet  
CC: plines@input.com at Internet  
Subject: Vertex

----- Message Contents -----

Key issue: Is Vertex serious or are they looking for a few names and some free advice?

If they are serious, then we can help in at least two important ways:

1. Develop a strategy

- Assess their capabilities and offerings in current and potential markets
- Based on above assessment, help prioritize kinds of business/partners and geographies they will target
- Identify pluses and minuses of JVs vs acquisitions, given prioritization above
- Develop acquisition/partnering criteria

Fee range: \$50-75k\*

2. Identify candidates

- Profile
- Assess against criteria
- Make approaches, as required
- Fee range: \$75-200k\* (largely depending on how many geographic/market segments they go after at one time)

\* These are ranges for internal information and assume a fixed fee. The actual fee may be a combination of a fixed professional fee, a monthly retainer and/or a success fee. Expenses are extra.

We have done this sort of work for a number of firms, including Amdahl (multiple engagements; work now being completed in Europe), GE Capital, Dun & Bradstreet, Moore Corporation, Citibank, General Motors.

We have worked with some interesting companies in the U.S. recently on call centers and purchasing services. We, of course, have an in-depth



understanding the outsourcing market

I strongly recommend not providing any names outside of a consulting contract:

- Names out of context are next to useless
- Qualified names are extremely valuable and should be paid for
- Without the step 1 work above, they are likely to go in circles (and on some level blame us for having received incomplete advice, even if free)

If they are serious, I will be more than happy to meet with them in Europe or North America at a mutually convenient time to discuss their needs and how INPUT can help them. This would be followed by a written proposal.



Author: "Chris Bourne" <cbourne@input.co.uk> at Internet  
Date: 1/28/97 9:24 AM  
Priority: Normal  
TO: Tom O'Flaherty at Input  
Subject: Vertex

----- Message Contents -----

>Message was resent -- Original recipients were:  
To: sybe@input.fr, hm@input.de, malleagri@input.co.uk,  
cbourne@input.co.uk-----

*John Hallmark*

*(cc) PAC, PL*

I recently met Derek Lewis, Chairman of Vertex. Vertex is a subsidiary of =  
United Utilities and is established as a separate company to target  
business= s =

operations outsourcing. The company has =A3200m of outsourcing revenue (IT  
= and =

business operations) from its parent company. The company specialises in =  
Customer Care (billing etc using up-to-date call centre technology), =  
purchasing services and supply chain management and, to a lesser extent,  
IT=  
=

outsourcing.

Vertex wishes to extend its presence outside the utilities sector and  
outsid= de =

the UK. Accordingly with the backing of its =A35Bn parent, it is seeking =  
acquisitions, or joint ventures, in both continental Europe and the U.S.  
Th= e =

acquisition targets might at present be limited in terms of current  
busine= ss =

operations capability but would at least possess a large-scale IT =  
infrastructure that could be used as the basis for future business  
operatio= ns =

activity.

Do you know of any organisations, probably vendors but large users would  
al= so =

be of interest, that might be amenable to an acquisition or joint venture  
o= f =

this type?

Regards  
John



P.S. Chris, if PAC has any ideas, perhaps you could arrange for him to meet=

Derek Lewis in February to discuss possible merger targets.

PSS Chris, would you please also forward this email to Tom O'Flaherty to se= e =

if he has any ideas on how we might approach this. I don't have his address=

with me.

See our memo/

• Free ideas

• Dev strat/priorities

• Search for candidates

Vendors

IT org

25k-50

75-150k

• Cap

Assess • offerings  
in cur/rew mkt

